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ARIZONA CORPORATION COMMISSION

May 23, 2002

Dear Compliance Officer:

On March 8, 2002, we sent a letter informing you that effective March 18, 2002 all investment adviser representative filings are to be made electronically through the CRD/IARD system rather than in paper form with the state. What this means to you is that currently licensed investment adviser representatives who had filed prior to March 18, 2002 need to "transition" on Web CRD. All future amendments to Form U-4 and any new investment adviser representative applications will be made electronically through Web CRD also. Before you can do your filings electronically, however, there is a four-step "easy" process which should be followed to make "transitioning" and new filings of your investment adviser representatives on Web CRD a smooth one: **(1) Become entitled to use Web CRD. (2) Submit an initial set-up fee of \$45.00 to the NASD for each currently licensed investment adviser representative. (3) Transition your investment adviser representatives on Web CRD. (4) Submit a Form U-4 Amendment to update or establish your investment adviser representative's Form U-4 on the electronic system.** We hope the enclosed information will prove helpful to you. If you have already completed the above process, you may disregard this letter.

The transitioning of investment adviser representatives should be completed by **July 1, 2002** and the filing of the Form U-4 Amendment on Web CRD by **August 1, 2002**. The Form U-4 Amendment should be filed *within 30 days* of transitioning your investment adviser representatives but no later than **August 1st**. **If you have any questions as you complete each step in the four-step process**, please do not hesitate to contact **Richard Unangst** at (602) 542-0323 or **Linda Madryk** at (602) 542-0615. We will gladly assist you in any way we can to make the transitioning of your investment adviser representatives on the CRD/IARD system as convenient as possible.

Very truly yours,

Matthew J. Neubert
Director of Registration and Compliance